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# United States Senate

COMMITTEE ON COMMERCE, SCIENCE,  
AND TRANSPORTATION

WASHINGTON, DC 20510-6125

WEB SITE: <http://commerce.senate.gov>

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August 24, 2009

The Honorable Ray LaHood  
Secretary  
U.S. Department of Transportation  
1200 New Jersey Avenue, SE  
Washington, DC 20590

Dear Secretary LaHood,

We have become increasingly concerned over the number of complaints from dealers who have yet to receive reimbursements for their submitted CARS applications. In fact, we are informed that the National Highway Transportation Safety Administration (NHTSA) has only paid out to date about \$140 million of the \$3 billion authorized to reimburse dealers, despite the fact that more than 635,000 vehicles have been sold to customers under the CARS program.

As you know, the law requires reimbursements be made within 10 days of eligible submission. This section was included to ensure the dealers are not unjustly harmed during the administration of this program. Nevertheless, auto dealers find they are still waiting for their refunds weeks after eligible submission. Additionally, many have waited weeks just to find out their applications have been denied and require resubmission, further delaying the reimbursement. Operating without the promised timely reimbursements places an extraordinary burden on dealers, especially smaller dealers, and in some cases, has forced dealers to opt-out of the program before its official termination.

We understand a number of additional personnel have been hired to handle the backlog of applications. While this should be helpful, it has not adequately addressed the problems. While the program officially ends tonight, the reimbursement of the dealers and the review of submissions by the Department is expected to continue for weeks, and without additional action, delays in reimbursements can be expected to continue.

It is imperative this program be handled in the most transparent manner possible. While we are aware of the number of submissions presented to the Department for reimbursement, we have not received timely updates of the actual reimbursement process. Therefore, in order to enable us to effectively carry out our oversight responsibilities, we are requesting that the following information, broken down by state, be submitted on a weekly basis to the Senate Committee on Commerce, Science, and Transportation until the reimbursement process is completed:

- The total dollar amounts reimbursed to dealers;
- The average time it takes to reimburse dealers from submission of application through transfer of the reimbursement; and

- The number of denied applications, including those that are eventually accepted after resubmission.

In addition, we strongly encourage you to review the dealer submission process and streamline any burdensome regulatory steps that leave our nation's dealers in this unacceptable situation.

Finally, we would appreciate being kept informed of any actions you take to improve the reimbursement process, including your plans to resolve all outstanding reimbursement requests.

We appreciate your consideration of this important matter and look forward to your response and weekly updates related to the dealer reimbursement process.

Sincerely,

  












